Energy Situation Analysis Report

Last Updated: March 4, 2003
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Latest Oil Market Developments

The West Texas Intermediate (WTI) crude oil near-month futures price on the New York Mercantile Exchange (NYMEX) fell by 72 cents per barrel on Monday, February 3, as the news from Turkey and Iraq eased traders' concerns over the imminence of possible military action against Saddam Hussein. Assurances from OPEC that the cartel would work to offset supply disruptions in the event of a military conflict also put downward pressure on prices. WTI settled $1.01 higher on Tuesday (3/4) at $36.89 per barrel, as reports of further U.S. military buildup in the Persian Gulf and news of continued cold weather in the U.S. Northeast commanded the market's attention. The market is awaiting stock data to be released by the Energy Information Administration (EIA), and the American Petroleum Institute (API), tomorrow (3/5) morning. more...

Latest U.S. Weekly EIA Petroleum Information

The U.S. average retail price for regular gasoline rose last week for the tenth time in eleven weeks, increasing by 2.8 cents per gallon as of March 3 to end at 168.6 cents per gallon, which is 54.2 cents per gallon higher than a year ago and the fifth highest price on record. Prices had fallen last week after 10 straight weeks of increases. While the outlook could go either way, strong gasoline demand ahead of the normal seasonal increase, extensive refinery maintenance, and still tight crude oil supply, may be pointing to added price pressure in the months ahead. more...

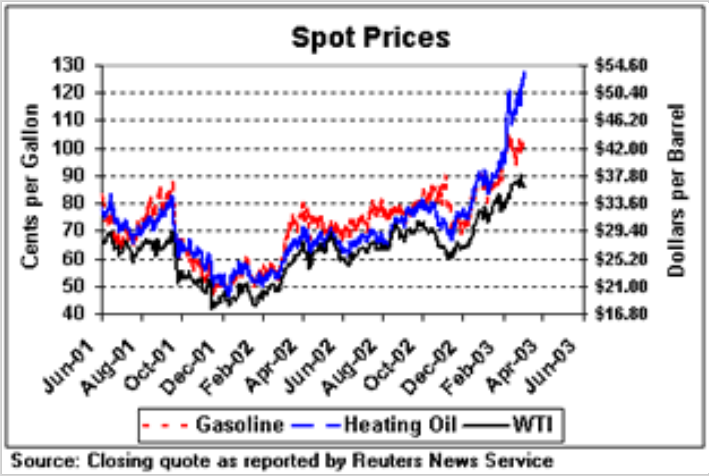
World Oil Market Highlights

As of early February 2003, EIA estimates that OPEC countries excluding Iraq and Venezuela hold between 2 and 2.5 million barrels per day of excess oil production capacity that could be brought online. Around 70 percent of this spare capacity is located in one country -- Saudi

Energy Prices*

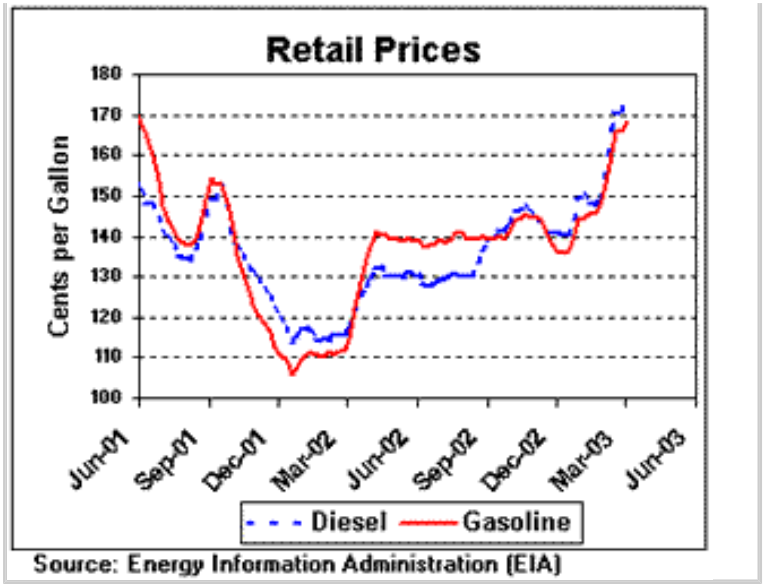
Petroleum Futures (near month)	3/3/03	2/28/03	Change
WTI ($/Bbl)	35.88	36.60	-0.72
Gasoline (c/gallon)	109.48	103.77	+5.71
Heating Oil (c/gallon)	103.60	125.59	-21.99
Natural Gas ($/MMBtu)			
Henry Hub	8.56	10.65	-2.09
California	8.44	8.98	-0.54
New York City	11.53	15.78	-4.25
Electricity ($/Megawatthour)			
COB	74.67	78.62	-3.95
PJM West	77.63	90.06	-12.43
NEPOOL	118.75	102.50	+16.25
Average	80.85	88.93	-8.08

*Definitions



Source: Closing quote as reported by Reuters News Service

Arabia -- with nearly all the rest located in other Persian Gulf countries. more...



Latest U.S. Weekly Natural Gas Information

Natural gas spot prices across the country remain at elevated levels and continue to fluctuate significantly with the start of trading in the final month of the traditional heating season. Since last Wednesday (February 26), the Henry Hub spot price has dropped $1.80 per MMBtu to an average of $8.56, which is less than half the price achieved last Tuesday (February 25). Spot prices at many markets recorded their highest levels since last Wednesday on Friday, followed by large price declines yesterday (Monday, March 3) as the Henry Hub and other Gulf Coast and production-area trading locations registered steep declines between $1.50-$3.50 per MMBtu. more...

Latest U.S. Coal Information

Over-the-counter (OTC) coal prices were mostly unchanged last week. The $3.00 per short ton gains achieved 2 weeks ago in OTC prices for Central Appalachian coal held steady last week. Spot coal prices for the Central Appalachia/Big Sandy-Kanawha 12,500-Btu product tracked by EIA again traded at $34.25 per short ton in the week ended February 28. The stall in the price rise coincides with a reversal on February 26 of last week's sharp increase in natural gas prices, on news of a possible warming in temperatures across the Midwest and Northeast. more...

Latest U.S. Electricity Information

At Mid-Columbia, a benchmark for the Northwest, electricity prices increased to $74.87 per megawatthour on February 28 from $59.82 on February 27, and then fell slightly to $71.74 on March 3 because of a decline in natural gas prices. In the Midwest, prices were quite volatile for the last two trading days. At the Cinergy Trading Center, prices jumped to $94.45 per megawatthour on February 28 from $67.13 on February 27 and then decreased to a weekly low of $55.27 on March 3 as warmer temperatures reduced heating demand. In the Northeast, electricity prices were generally higher on February 28, but lower on March 3 with the exception of New England. At Nepool, prices continued to climb until they reached $118.75 per megawatthour on March 3 from $90 on February 27, as natural gas prices and heating demand rose. Over the past seven days, average prices at all trading centers ranged between $60.17 and $125.61 per megawatthour with an overall weekly average of $73.04 per megawatthour. more...

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Latest Oil Market Developments

(updated March 4, 2003)

The West Texas Intermediate (WTI) crude oil near-month futures price on the New York Mercantile Exchange (NYMEX) fell by 72 cents per barrel on Monday, February 3, as the news from Turkey and Iraq eased traders' concerns over the imminence of possible military action against Saddam Hussein. Assurances from OPEC that the cartel would work to offset supply disruptions in the event of a military conflict also put downward pressure on prices (see below). WTI settled $1.01 higher on Tuesday (3/4) at $36.89 per barrel, as reports of further U.S. military buildup in the Persian Gulf and news of continued cold weather in the U.S. Northeast commanded the market's attention. The market is awaiting stock data to be released by the Energy Information Administration (EIA), and the American Petroleum Institute (API), tomorrow (3/5) morning.

Mediation efforts continue in an effort to resolve the strike in Venezuela, now in its fourth month, without much apparent progress. Government and opposition sources continue to cite widely varying figures for the country's current oil production. Until very recently, dissident workers from PdVSA who joined the stoppage and were later fired by Chavez, put Venezuela's output at nearly 1.6 million barrels per day, while government sources estimated the country's production at around 2.0 million barrels per day. On Friday (2/28) it was reported that PdVSA temporarily reduced output from the country's eastern fields by almost 500,000 barrels per day due to exporting problems at the eastern port of Jose. Dissident PdVSA employees have estimated that Venezuela pumped only 1.09 million barrels per day over the weekend because of the disruption. Current PdVSA managers have stated that the eastern fields will be restarted later this week as crude stocks are drained from the export terminal. Also, efforts over the weekend to increase production at PdVSA's crippled Paraguana refining complex were unsuccessful. More than one-third of the company's employees have been terminated since the beginning of the strike, and President Hugo Chavez has said that they would not be rehired.

Oil prices have been pushed sharply higher in recent months (up over 50% since mid-November) by generally falling commercial crude oil stocks in the United States and continued fears that a war with Iraq could adversely affect Middle Eastern oil supplies as well. Oil markets fear that if a war with Iraq were to occur while Venezuelan oil exports remain far below normal levels, this could strain the world's existing spare oil output capacity (estimated at 2.0-2.5 million barrels per day) to its limit. Nearly all of this "excess capacity" is located in OPEC member countries, particularly Saudi Arabia (1.3-1.8 million barrels per day) the UAE (300,000 barrels per day), and Qatar (110,000 barrels per day), all of which are located in the Persian Gulf region.

Other issues related to **world oil markets** include:

- On Saturday, (2/28) the Turkish Parliament failed to pass a motion presented by Turkey's ruling party that would allow U.S. troops to stage attacks on Northern Iraq from Turkish soil. The Parliament's vote, which failed by three votes, was seen by oil traders as delaying the timetable for possible military action against Iraq. The Turkish government is reportedly considering the possibility of re-submitting the proposal for another vote, while U.S. policy makers have downplayed the impact of Turkey's decision on the timing of possible military action.
- On Saturday (2/28) Iraq agreed to begin destroying its Al-Samoud 2 missiles, which are banned in Iraq by the United Nations because of their firing range. Destruction of the missiles reportedly started over the weekend and has eased some of the war tension currently putting upward pressure on oil prices. Iraq has also agreed to submit a new report on VX nerve gas and anthrax to the UN. Chief UN weapons inspector, Dr. Hans Blix, is expected to address the UN Security Council on Friday (3/7), although that engagement has not been officially confirmed.
- OPEC ministers have indicated their intentions to suspend the cartel's export restrictions in the event of an attack on Iraq. On Monday (3/3) OPEC President Abdullah al-Attiyah said, "If there is a shortage and the world needs more oil, we will do it...We will pump maximum capacity if the market needs it." EIA estimates that OPEC countries excluding Iraq and Venezuela hold between 2 and 2.5 million barrels per day of excess oil production capacity that could be brought online. Around 70 percent of this spare capacity is located in one country -- Saudi Arabia -- with nearly all the rest located in other Persian Gulf countries. OPEC's next meeting is scheduled for March 11.
- On Monday (3/3) Kuwait announced that it would shut in its northern oilfields in the event of a war in Iraq in an effort to safeguard the fields' employees and facilities. Shutting in Northern Kuwaiti fields could cause a world oil supply disruption of 400,000 to 700,000 barrels per day. Kuwait has already closed two smaller oil fields in the North, resulting in 25,000 barrels per day of production currently offline.
- On Monday (3/3) it was reported that at least 64 people were killed in ethnic conflict in northern Nigeria. The causes of the conflict are currently under investigation. Nigeria exported approximately 596,000 barrels per day of oil to the United States during 2002, representing roughly 5% of total U.S. petroleum imports. Nigeria is scheduled to hold both local and Presidential elections beginning next month.
- As of March 4, 2003, the U.S. Strategic Petroleum Reserve (SPR) contained 599.3 million barrels of oil. The SPR has a maximum drawdown capability of 4.3 million bbl/d for 90 days, with oil beginning to arrive in the marketplace 15 days after a presidential decision to initiate a drawdown. The SPR drawdown rate declines to 3.2 million bbl/d from days 91-120, to 2.2 million bbl/d for days 121-150, and to 1.3 million bbl/d for days 151-180.

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Latest U.S. Weekly EIA Petroleum Information

(last complete update: February 27, 2003)

Petroleum Inventories
U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) decreased by 1.0 million barrels, and are 53.1 million barrels below the level last year at this time. Crude oil inventories in PADD II (Midwest) also fell, and are the lowest ever since EIA has kept regional inventory data. Distillate fuel inventories fell by 4.5 million barrels, with most of the decline in high-sulfur distillate fuel (heating oil). Total distillate fuel inventories are below 100 million barrels for the first time since May 2000. Motor gasoline inventories fell by 3.1 million barrels last week and are below the low end of the normal range. Total commercial petroleum inventories, at 898.0 million barrels, are 124.3 million barrels less than last year at this time.

After falling to the lowest level since EIA has kept PADD-specific inventory levels (dating back to August 1989) during the week ending February 14, crude oil inventories in PADD II (Midwest) fell further last week and are once again the lowest level since at least August 1989. This is important because PADD II includes Cushing, Oklahoma, where physical barrels are traded for West Texas Intermediate (WTI) crude oil, the U.S. benchmark crude oil. If inventories get particularly tight at Cushing then upward pressure on prompt WTI prices could develop, which may lead to higher prompt prices for other crude oils in the United States and elsewhere in the Americas.

Cold weather continued to whittle away at U.S. inventories of propane last week with a stockdraw that measured 2.9 million barrels, leaving the nation's stockpile of propane at an estimated 23.0 million barrels as of the week ending February 21, 2003. U.S. propane inventories continued to move further below the average range and now stand at a level that is only 4.5 million barrels above the Lower Operational Inventory (LOI). The LOI is a level that is indicative of a situation where inventory-related supply flexibility could be constrained. Regional declines last week were mostly limited to the Midwest and Gulf Coast regions that reported nearly identical stockdraws measuring about 1.4 million barrels each. East Coast inventories remained flat during this same period. Moreover, last week marked the first time in several years that U.S. and regional inventories in the East Coast, Midwest and Gulf Coast simultaneously remained below their respective average ranges.

Petroleum Imports
U.S. crude oil imports (including imports going into the Strategic Petroleum Reserve) averaged 8.3 million barrels per day last week, a decline of 400,000 barrels per day from the previous week. Crude oil imports have averaged nearly 8.2 million barrels per day over the last four weeks, or about 500,000 barrels per day less than averaged during the same four-week period last year. Although the origins of weekly crude oil imports are very preliminary and thus not published, imports from Venezuela continue to be much lower than normal. Total motor gasoline imports (including both finished gasoline and gasoline blending components) averaged 600,000 barrels per day last week, while distillate fuel imports averaged 400,000 barrels per day.

Monthly data on the origins of U.S. crude oil imports in December 2002 has been released and it shows that three countries each exported more than 1.4 million barrels per day of crude oil to the United States (see table below). The top sources of U.S. crude oil imports in December 2002 were Saudi Arabia (1.815 million barrels per day), Mexico (1.734 million barrels per day), and Canada (1.490 million barrels per day). This is the largest monthly amount of crude oil imported from Saudi Arabia since August 2001. Rounding out the top ten sources, in order, were Venezuela (0.652 million barrels per day), Nigeria (0.625 million barrels per day), United Kingdom (0.376 million barrels per day), Iraq (0.366 million barrels per day), Angola (0.312 million barrels per day), Colombia (0.248 million barrels per day), and Kuwait (0.190 million barrels per day). Imports from Venezuela were slightly more than half of what was averaged during the first 11 months of the year, as Venezuelan exports were severely curtailed for much of December following the general strike in that country. Total crude oil imports averaged 8.619 million barrels per day in December, a decline of more than 900,000 barrels per day from November, and represents the lowest level since February 2001. The top three origins accounted for 58 percent of these U.S. crude oil imports in December, while the top ten sources accounted for nearly 91 percent of all U.S. crude oil imports.

Refinery Inputs and Production
U.S. crude oil refinery inputs increased to nearly 14.5 million barrels per day during the week ending February 21, an increase of about 600,000 barrels per day over the last three weeks. Some of the increase in crude oil refinery inputs last week resulted in an increase in distillate fuel and jet fuel refinery output, but motor gasoline refinery production decreased by more than 200,000 barrels per day.

Petroleum Demand
Total product supplied over the last four-week period averaged 20.1 million barrels per day, or about 3.7 percent more than the same period last year. Over the last four weeks, motor gasoline demand is down 0.8 percent, but distillate fuel demand is up 20.9 percent compared to the same period last year. Kerosene-type jet fuel demand last week, partly due to snowstorms temporarily shutting down some Northeast airports, was at its lowest level since the week ending September 21, 2001.

Spot Prices (updated March 4)
The average world crude oil price on February 21, 2003 was $31.22 per barrel, $0.23 more than last week and $12.86 more than last year. The spot price for conventional gasoline in the New York Harbor was 101.20 cents per gallon, 2.45 cents above last week and 41.70 cents higher than a year ago. The

spot price for No. 2 heating oil in the New York Harbor was 122.25 cents per gallon, 5.25 cents higher than last week and 63.90 cents more than last year.

Average U.S. Retail Gasoline Price Increases by Almost 3 Cents, California Tops $2 Mark (updated March 4)
The U.S. average retail price for regular gasoline rose last week for the eleventh time in twelve weeks, increasing by 2.8 cents per gallon as of March 3 to reach 168.6 cents per gallon, which is 54.2 cents per gallon higher than a year ago. While the outlook could go either way, strong gasoline demand ahead of the normal seasonal increase, extensive refinery maintenance, and still tight crude oil supply, may be pointing to added price pressure in the months ahead. Prices were mixed throughout the country, with the largest increase occurring in California, where prices rose 9.0 cents to end at 201.2 cents per gallon, the highest price ever in our survey, which for California goes back to May 2000. Prices fell on the Gulf Coast, with prices decreasing by 0.3 cent to end at 157.9 cents per gallon.

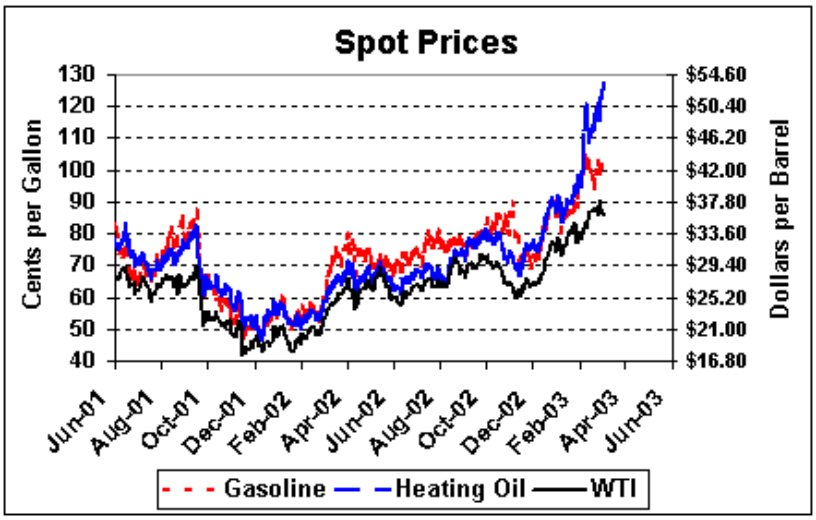
Retail diesel fuel prices increased for the seventh straight week, rising 4.4 cents per gallon to a national average of 175.3 cents per gallon as of March 3. This was the highest diesel price since EIA began recording this data in March 1994, and the third week in a row that diesel has topped its previous record price. Retail diesel prices were up throughout the country, with the largest price increase occurring in the Rocky Mountains, where prices rose 6.8 cents per gallon to end at 173.6 cents per gallon. Prices in New England rose again by 6.6 cents to hit 195.4 cents per gallon, the highest price in the nation.

Heating Fuels Prices Continue Upward But At A Slower Rate
Residential heating oil prices rose slightly for the period ending February 24, 2003. The average residential heating oil price was 175.2 cents per gallon, up 2.1 cents per gallon from the previous week, and is 59.3 cents per gallon higher than last year at this time. Meanwhile, wholesale heating oil prices increased by 4.6 cents per gallon this week, reaching 120.7 cents per gallon.

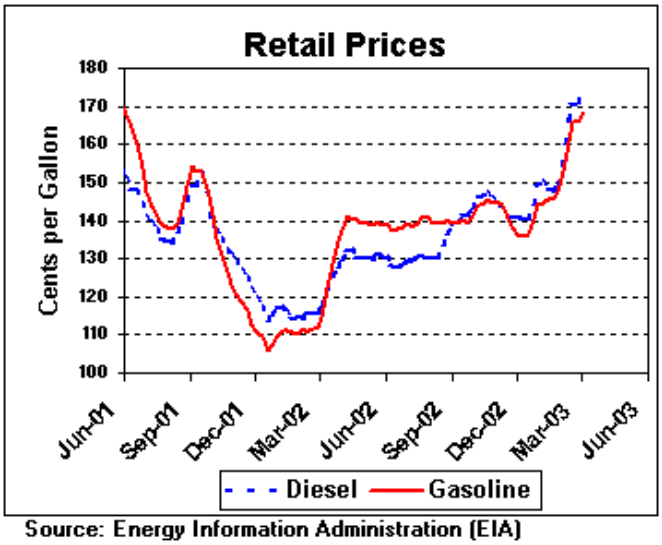
Residential propane prices increased 0.7 cent per gallon from 149.7 cents per gallon to 150.4 cents per gallon, and are 37.9 cents higher than one year ago. Meanwhile, wholesale propane prices increased 5.0 cents per gallon, from 76.3 cents per gallon to 81.3 cents per gallon. However, this rise does not include the latest increases seen over the last couple of days in propane spot prices.

U.S. Petroleum Prices

(updated March 4, 2003)



Source: Closing quote as reported by Reuters News Service



Source: Energy Information Administration (EIA)

Crude Oil and Oil Products Price Table

Date	WTI Crude Oil		Gasoline		Heating Oil		Kerojet	Propane		EIA Weekly Retail	
	Spot	Futures	Spot	Futures	Spot	Futures	Spot	Spot	Spot	US Average	
	Cushing		NYH		NYH		NYH	Mt. Belvieu	Conway	Gasoline	Diesel
	$/bbl	$/bbl	cents per gallon		cents per gallon		c/gal	cents per gallon		cents per gallon	
1/14/2003	$32.42	$32.37	86.18	89.16	89.25	89.16	90.38	57.13	55.57		
1/15/2003	$33.23	$33.21	86.70	90.43	90.36	90.86	90.71	58.82	57.19		
1/16/2003	$33.58	$33.66	87.15	90.76	89.09	89.67	90.37	60.13	60.38		
1/17/2003	$33.88	$33.91	87.30	91.11	89.25	89.86	90.48	60.25	59.94		
1/20/2003	NA	NA	NA	NA	NA	NA	NA	NA	NA	145.9	148.0
1/21/2003	$34.62	$34.61	86.80	90.10	89.27	89.47	89.92	59.57	57.75		
1/22/2003	$34.32	$32.85	86.40	89.93	91.00	91.19	91.73	59.75	57.44		
1/23/2003	$33.90	$32.25	86.75	89.81	91.50	91.53	92.23	60.19	58.38		
1/24/2003	$34.98	$33.28	89.78	92.25	94.75	95.02	95.63	61.38	58.94		
1/27/2003	$32.43	$32.29	88.35	90.15	93.73	93.43	94.38	60.00	58.88	147.3	149.2
1/28/2003	$32.70	$32.67	90.95	92.72	93.00	93.04	93.60	68.25	61.25		
1/29/2003	$33.54	$33.63	95.59	97.13	96.73	97.13	96.75	77.00	64.69		
1/30/2003	$33.78	$33.85	97.05	98.69	98.08	98.05	98.48	71.38	64.88		
1/31/2003	$33.51	$33.51	95.60	97.56	95.83	95.88	96.33	72.38	65.57		
2/3/2003	$32.84	$32.76	94.69	95.68	94.85	91.81	96.55	65.38	65.25	152.7	154.2
2/4/2003	$33.61	$33.58	98.80	100.06	99.05	96.19	101.93	67.25	67.25		
2/5/2003	$33.91	$33.93	101.30	103.15	103.80	99.40	106.55	70.19	69.25		
2/6/2003	$34.36	$34.16	101.00	102.83	112.50	102.71	115.38	70.19	69.25		
2/7/2003	$35.05	$35.12	104.38	106.70	120.50	109.57	122.00	74.25	74.25		
2/10/2003	$34.46	$34.48	100.53	102.75	114.48	104.43	116.35	72.25	72.25	160.7	166.2
2/11/2003	$35.43	$35.44	103.50	105.59	112.71	105.76	115.08	69.25	68.25		
2/12/2003	$35.83	$35.77	100.85	103.36	108.58	103.05	108.51	64.50	64.50		
2/13/2003	$36.63	$36.36	100.48	103.14	110.28	105.28	110.53	62.75	61.88		
2/14/2003	$36.61	$36.80	98.48	102.23	112.70	106.07	113.70	64.69	62.75		
2/17/2003	NA	NA	NA	NA	NA	NA	NA	NA	NA	166.0	170.4
2/18/2003	$36.88	$36.96	96.78	99.45	113.24	106.54	114.54	64.69	62.75		
2/19/2003	$37.02	$37.16	97.00	100.22	116.73	109.93	117.93	67.13	64.13		
2/20/2003	$36.45	$36.79	94.08	96.58	112.40	105.87	115.90	68.75	68.00		
2/21/2003	$36.76	$35.58	98.75	101.28	117.00	110.85	120.50	72.00	69.25		
2/24/2003	$37.29	$36.48	102.93	104.75	120.73	114.67	123.60	81.00	73.25	165.8	170.9
2/25/2003	$36.06	$36.06	98.48	100.78	115.50	112.26	119.25	94.50	81.50		
2/26/2003	$37.96	$37.70	99.63	101.83	119.00	115.49	122.75	105.00	87.50		
2/27/2003	$36.83	$37.20	99.40	101.80	117.90	115.43	120.40	110.50	101.00		
2/28/2003	$36.76	$36.60	101.20	103.77	122.25	125.59	124.50	127.50	89.50		
3/3/2003	$36.10	$35.88	102.05	103.48	126.88	103.60	127.75	77.44	70.25	168.6	175.3

Source: Spot and futures closing quotes as reported by Reuters News Service, retail prices reported by EIA

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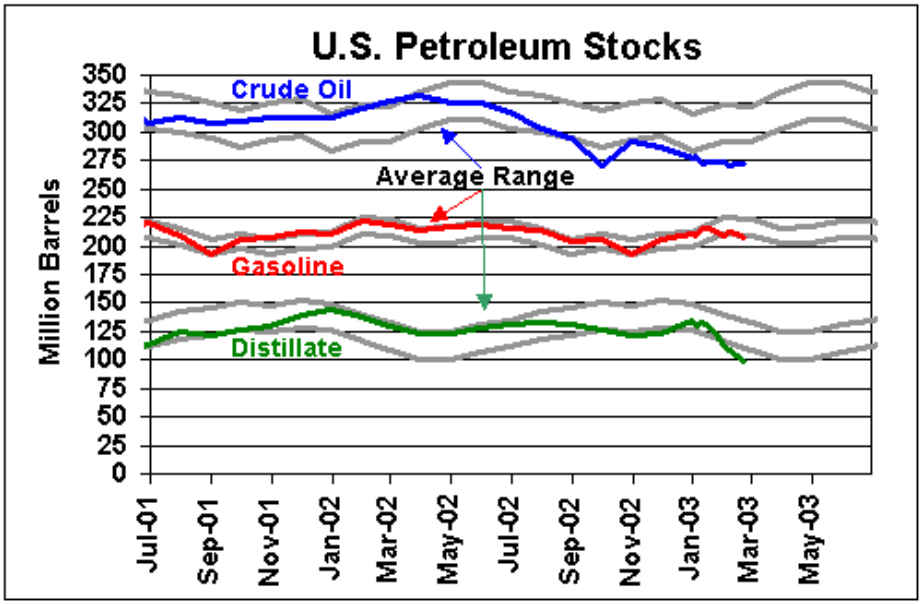
U.S. Petroleum Supply

(Thousand Barrels per Day)	Four Weeks Ending		vs. Year Ago	
	2/21/2003	2/21/2002	Diff.	% Diff.
Refinery Activity				
Crude Oil Input	14,146	14,325	-179	-1.2%
Operable Capacity	16,800	16,793	7	0.0%
Operable Capacity Utilization (%)	85.3%	86.7%	-1.4%	
Production				
Motor Gasoline	7,920	8,135	-215	-2.6%
Jet Fuel	1,420	1,458	-38	-2.6%
Distillate Fuel Oil	3,378	3,492	-114	-3.3%
Imports				
Crude Oil (incl. SPR)	8,166	8,643	-477	-5.5%
Motor Gasoline	734	729	5	0.7%
Jet Fuel	88	100	-12	-11.9%
Distillate Fuel Oil	434	248	186	74.7%
Total	10,467	10,791	-324	-3.0%
Exports				
Crude Oil	10	6	4	66.7%
Products	889	1,041	-152	-14.6%
Total	899	1,048	-149	-14.2%
Products Supplied				
Motor Gasoline	8,433	8,499	-66	-0.8%
Jet Fuel	1,478	1,545	-67	-4.3%
Distillate Fuel Oil	4,550	3,764	786	20.9%
Total	20,097	19,388	709	3.7%

Stocks (Million Barrels)	2/21/2003	2/21/2002	vs. Year Ago Diff.	% Diff.
Crude Oil (excl. SPR)	271.9	325.0	-53.1	-16.3%
Motor Gasoline	208.1	219.2	-11.1	-5.1%
Jet Fuel	40.5	41.0	-0.5	-1.2%
Distillate Fuel Oil	99.1	132.2	-33.1	-25.0%
Total (excl. SPR)	898.0	1,022.3	-124.3	-12.2%



Source: Energy Information Administration, Weekly Petroleum Status Report, Petroleum Supply Monthly

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Definitions

Petroleum

WTI – West Texas Intermediate (for the purposes of this table, prices provided are near month futures price) Cushing OK.

Bbl – Barrel (42 gallons).

C's – cents.

Natural Gas

Henry Hub – A pipeline hub on the Louisiana Gulf coast. It is the delivery point for the natural gas futures contract on the New York Mercantile Exchange (NYMEX).

Electricity

COB – average price of electricity traded at the California-Oregon and Nevada-Oregon border.

Palo Verde - average price of electricity traded at Palo Verde and West Wing Arizona.

Average - average price of electricity traded at all locations.

World Oil Market Highlights

(updated February 11, 2003)

As of early February 2003, EIA estimates that OPEC countries excluding Iraq and Venezuela hold between 2 and 2.5 million barrels per day of excess oil production capacity that could be brought online. Around 70% of this spare capacity is located in one country -- Saudi Arabia -- with nearly all the rest located in four Persian Gulf countries: UAE, Qatar, Kuwait, and Iran. The estimates included in the table below incorporate the 1.5 million-barrel-per-day increase to the OPEC-10 production ceiling announced on January 12, 2003, as well as recent unrest in Venezuela.

OPEC Crude Oil Production [1]
(Thousand barrels per day)

	December 2002 Production	January 2003 Production	February 2003 Production	2/01/03 Quota[2]	Production Capacity[3]	February Surplus Capacity[3]
Algeria	1,000	1,050	1,050	782	1,100	50
Indonesia	1,050	1,025	1,025	1,270	1,050	25
Iran	3,560	3,600	3,700	3,597	3,750	50
Kuwait[4]	1,970	2,000	2,125	1,966	2,200	75
Libya	1,350	1,350	1,370	1,312	1,400	30
Nigeria	2,050	2,100	2,225	2,018	2,300	75
Qatar	700	700	740	635	850	110
Saudi Arabia[4]	8,100	8,500	8,700	7,963	10,000-10,500[5]	1,300-1,800[5]
UAE[6]	2,040	2,050	2,200	2,138	2,500	300
Venezuela[7]	1,100	614	1,400	2,819	1,400	0
OPEC 10 Crude Oil Total	**22,920**	**22,989**	**24,535**	**24,500**	**26,550-27,050[5]**	**2,015-2,515[5]**
Iraq[8]	2,315	2,455	2,315	N/A	2,900	585
OPEC Crude Oil Total	**25,235**	**25,444**	**26,850**	N/A	**29,450-29,950[5]**	**2,600-3,100[5]**
Other Liquids[9]	2,761	2,761	2,761	N/A		
Total OPEC Production	**27,996**	**28,205**	**29,611**	N/A		

NA: Not Applicable
1Crude oil does not include lease condensate or natural gas liquids.
2Quotas are based on crude oil production only.
3Maximum sustainable production capacity, defined as the maximum amount of production that: 1) could be brought online within a period of 30 days; and 2) sustained for at least 90 days.
4Kuwaiti and Saudi Arabian figures each include half of the production from the Neutral Zone between the two countries. Saudi Arabian production also includes oil produced from its offshore Abu Safa field on behalf of Bahrain.
5 Saudi Arabia is the only country with the capability to further increase its capacity significantly within 90 days. Saudi Arabia can increase its sustainable production capacity to 10 million barrels per day within 30 days and to 10.5 million barrels per day within 90 days. As a result, the estimates for Saudi Arabia are as shown as a range, with the lower figure using the 30 days' definition and the upper end reflecting Saudi Arabia's 90 days' capability. OPEC's surplus capacity estimates are also shown as a range for this reason.
6The UAE is a federation of seven emirates. The quota applies only to the emirate of Abu Dhabi, which controls the vast majority of the UAE's economic and resource wealth.
7Venezuelan capacity and production numbers exclude extra heavy crude oil used to produce Orimulsion. It has been estimated that it would take 4 months from the end of the current crisis for Venezuela to restore its pre-strike production capacity. Venezuelan production projections assume production remains at current levels.
8Iraqi oil exports are approved by the United Nations under the oil-for-food program for Iraq established by Security Council Resolution 986 (April 1995) and subsequent resolutions. As a result, Iraqi production and exports have not been a part of any recent OPEC agreements.
9Other liquids include lease condensate, natural gas liquids, and other liquids including volume gains from refinery processing.

Major Sources of U.S. Petroleum Imports, Jan.-November 2002*
(all volumes in million barrels per day)

	Total Oil Imports	Crude Oil Imports	Petroleum Product Imports
Canada	1.93	1.42	0.51
Saudi Arabia	1.53	1.49	0.04
Mexico	1.51	1.47	0.04
Venezuela	1.44	1.25	0.19
Nigeria	0.59	0.56	0.03
United Kingdom	0.48	0.41	0.07
Iraq	0.45	0.45	0.00
Norway	0.39	0.35	0.04
Angola	0.33	0.32	0.01
Total Imports	11.39	9.09	2.30

** Table includes all countries from which the U.S. imported more than 300,000 barrels per day of total oil in Jan.-Nov. 2002.*

Top World Oil Net Exporters, Jan.-Nov. 2002*

	Country	Net Exports (million barrels per day)

1)	Saudi Arabia	6.90
2)	Russia	5.07
3)	Norway	3.14
4)	Iran	2.48
5)	Venezuela	2.48
6)	United Arab Emirates	1.93
7)	Nigeria	1.86
8)	Mexico	1.68
9)	Kuwait	1.64
10)	Iraq	1.56
11)	Algeria	1.26
12)	Libya	1.20

**Table includes all countries with net exports exceeding 1 million barrels per day in Jan.-Nov. 2002.*

During the first eleven months of 2002, about half of U.S. crude oil imports came from the Western Hemisphere (17% from South America,16% from Canada, 16% from Mexico, 1% from the Caribbean), while nearly one-fourth came from the Persian Gulf region (16% from Saudi Arabia, 5% from Iraq, 2% from Kuwait).

In general, OECD Europe depends far more heavily on the Persian Gulf and North Africa for oil imports than does the United States. Japan receives over three-quarters of its oil supplies from the Persian Gulf (mainly the UAE, Saudi Arabia, Kuwait, Iran, and Qatar) with the remainder coming from Indonesia, China, and other sources.

Having provided this information, it is important to stress that oil is a "fungible" (interchangeable, traded on a world market) commodity, that a disruption of oil flows anywhere will affect the price of oil everywhere, and that the specific suppliers of oil to a particular country or region are not of enormous significance, at least from an economic point of view.

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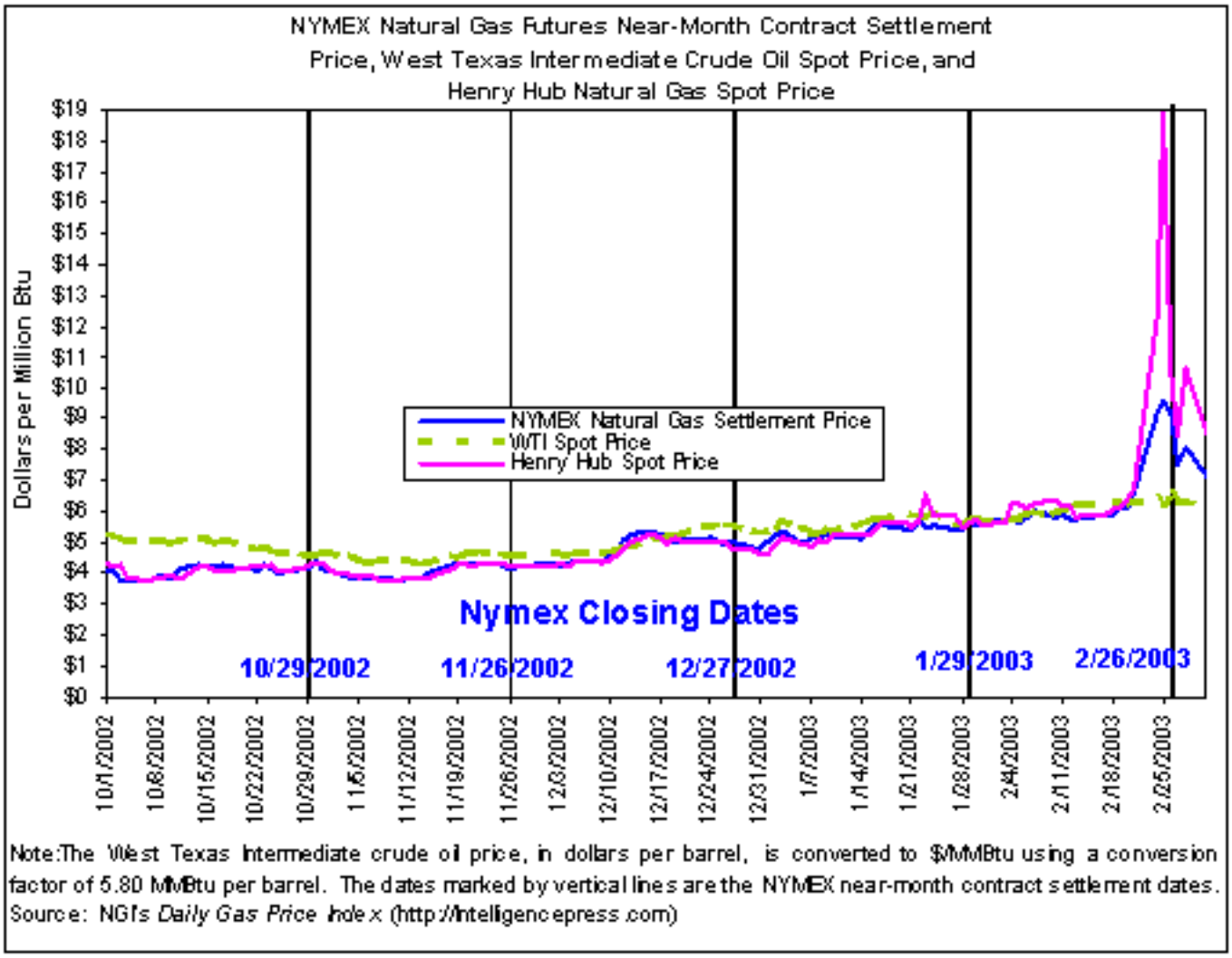
Latest U.S. Weekly Natural Gas Information

(March 4, 2003)

Prices

Natural gas spot prices across the country remain at elevated levels and continue to fluctuate significantly with the start of trading in the final month of the traditional heating season. Since last Wednesday (February 26), the Henry Hub spot price has dropped $1.80 per MMBtu to an average of $8.56, which is less than half the price achieved last Tuesday (February 25). Spot prices at many markets recorded their highest levels since last Wednesday on Friday, followed by large price declines yesterday (Monday, March 3) as the Henry Hub and other Gulf Coast and production-area trading locations registered steep declines between $1.50-$3.50 per MMBtu. Prices in the Northeast subsided as much as $4 to $5 per MMBtu yesterday to a regional average of $11.61 per MMBtu. The Chicago citygate price yesterday fell almost 40 percent to $9.32 per MMBtu. However, spot prices are still far above historical norms owing to a variety of factors, including unrelenting cold weather and this winter's rapid drawdown of storage inventories. (A discussion of the contributing factors behind the record prices is in the Industry/Markets Developments section.)

At the NYMEX, the price for the futures contract for April delivery dropped nearly $0.94 per MMBtu yesterday to a daily settlement of $7.162. The April contract, which became the near-month contract on Thursday last week, traded $1.21 per MMBtu higher than the May contract yesterday, which settled at $5.952, a gain of about 12 cents on the day. Prices of NYMEX contracts with delivery for later this year continue to trend lower owing to expectations of at least a slight easing in the market following the winter. The 12-month strip, or the average price of gas contracts over the next year, yesterday settled at $6.159, which is 41 cents per MMBtu lower than last Wednesday's settlement.



Note:The West Texas Intermediate crude oil price, in dollars per barrel, is converted to $/MMBtu using a conversion factor of 5.80 MMBtu per barrel. The dates marked by vertical lines are the NYMEX near-month contract settlement dates.
Source: NGI's *Daily Gas Price Index* (http://intelligencepress.com)

Trade Date (All prices in $ per MMBtu)	California Composite Average Price*	Henry Hub	New York City	Chicago	NYMEX futures contract-April delivery	NYMEX futures contract-May delivery
2/3/2003	5.02	5.72	6.53	5.70	5.485	5.163
2/4/2003	5.24	6.26	8.02	6.27	5.512	5.212
2/5/2003	5.27	6.24	7.39	6.25	5.414	5.171
2/6/2003	5.19	6.08	7.15	6.11	5.578	5.298
2/7/2003	5.30	6.29	7.70	6.30	5.780	5.448
2/10/2003	5.42	6.34	8.25	6.40	5.617	5.327
2/11/2003	5.39	6.19	9.87	6.38	5.722	5.417
2/12/2003	5.43	6.20	10.92	6.27	5.560	5.315
2/13/2003	5.27	5.84	9.30	5.88	5.550	5.350
2/14/2003	5.25	5.87	10.49	5.92	5.644	5.439
2/18/2003	5.41	6.10	10.11	6.12	5.710	5.500
2/19/2003	5.38	6.10	7.88	6.12	5.909	5.619
2/20/2003	5.61	6.39	7.75	6.39	5.980	5.684
2/21/2003	5.83	6.74	9.65	7.48	6.318	5.953
2/24/2003	9.03	12.26	24.91	14.41	7.622	6.842
2/25/2003	9.55	18.85	25.67	18.19	6.584	5.859
2/26/2003	7.55	10.36	13.35	10.62	7.390	6.230
2/27/2003	7.25	8.45	10.49	8.40	7.485	5.965
2/28/2003	8.98	10.65	15.78	15.24	8.101	6.071
3/3/2003	8.44	8.56	11.53	9.32	7.162	5.952

* Average of *NGI's* reported average prices for: Malin, PG&E citygate, and Southern California Border Average.

Source: NGI's Daily Gas Price Index (http://intelligencepress.com)

Natural Gas Storage

Working gas in storage was 1,014 Bcf or 33.4 percent below the 5-year average for the week ending February 21, according to EIA's Weekly Natural Gas Storage Report. The implied net withdrawal was 154 Bcf, which is 73 Bcf more than the 5-year average withdrawal of 81 Bcf for the week. Inventories in the East continued a rapid decline with a 95 Bcf withdrawal and are now 499 Bcf, or almost 42 percent lower than the 5-year average. Although storage inventories in the East have fallen below 500 Bcf by the end of the heating season twice before in the 9 years of weekly data, this is the earliest date that stocks have passed that mark.

All Volumes in Bcf	Current Stocks 2/21/2003	Estimated Prior 5-year (1998-2002) Average	Percent Difference from 5-Year Average	Implied Net Change from Last Week	One-Week Prior Stocks 2/14/2003
East Region	499	858	-41.8%	-95	594
West Region	224	206	8.7%	-17	241
Producing Region	291	458	-36.5%	-42	333
Total Lower 48	1,014	1,522	-33.4%	-154	1,168

Source: Energy Information Administration: Form EIA-912, "Weekly Underground Natural Gas Storage Report," and the Historical Weekly Storage Estimates Database.

Industry/Market Developments

Winter (2002-2003) Conditions Have Resulted in Record Price Levels: A number of factors have played major roles in the relatively high gas prices in recent months:

- Weather: Cold temperatures led to higher demand for heating. Most regions outside the far western portion of the country experienced temperatures that have been much colder than last winter, and also significantly colder than normal in some regions. For example, heating-degree-days (HDDs) in the Middle Atlantic region through March 1, 2003, were 6 percent higher than normal and more than 33 percent above last year's level. HDDs in the entire United States have been 2.5 percent below normal (although 15 percent higher than last year) because of warm weather in the West (the Pacific and Mountain census regions).
- Storage: Although working gas inventories entered the heating season at 3,116 billion cubic feet (Bcf) (almost 4 percent larger than the average of the preceding 5 years), high demand resulted in a faster than usual drawdown. Net withdrawals in January, estimated at 859 Bcf, represent the largest volume for this month in 30 years of EIA monthly data. As of February 21, natural gas in storage at 1,014 Bcf was more than 33 percent below the 5-year average.
- Production: Production for the first 10 months of 2002 was down 2.6 percent from 2001 levels (based on preliminary data). Analysis indicates that the natural gas industry, although producing less, is producing at very high rates of capacity utilization, exceeding 90 percent, as a result of a lower rate of new well completions and the natural decline as producing wells age. Rapid well decline rates increase the continual need for new wells, which have higher production rates than old wells. The completion of new wells is essential to maintain and expand production as relatively new wells provide a disproportionately large share of total production. High production utilization rates tend to result in higher gas prices owing to the increasingly tight market conditions.
- Imports: Net imports of natural gas were down by 4 percent in the first 10 months of 2002. Total U.S. imports of natural gas in the first 10 months of 2002 were up 80 Bcf or slightly more than 2 percent from 2001 levels, but exports also increased. U.S. imports from Canada, which comprise about 94 percent of total imports, increased roughly 3 percent during the first 10 months of 2002.

Imports of liquefied natural gas (LNG) provide about 6 percent of total U.S. imports, and they declined 4 percent for the entire year. Exports to other countries were up by 146 Bcf, as additional cross-border pipeline projects, such as the Vector Pipeline, came on line.

In the near-term, conditions are expected to improve as the industry and markets respond to the price signals. Drilling for natural gas projects has increased substantially in recent months. After bottoming out at 591 rigs as of April 5, 2002, rigs drilling for gas prospects have increased to an average of 750 in February 2003. Given the expected improvement in supply conditions, the EIA projects the average wellhead gas price at $4.36 per Mcf in 2003 and $4.28 in 2004. At those levels, natural gas prices would be higher than the average for 2001, and after adjustment for inflation, the projected wellhead prices would be comparable to levels seen in the early 1980s.

EIA Administrator Testifies Before Senate Committee: EIA Administrator Guy Caruso discussed current market conditions and both short- and long-term outlooks for natural gas in testimony before the Committee on Energy and Natural Resources of the United States Senate on Tuesday, February 25. Responding to recent widespread concerns about soaring natural gas prices, Caruso pointed out that they might signify that the market is working properly, and that the current “extremely tight” conditions have resulted from consumption having exceeded current supply (production plus net imports) in the past several months coupled with rapidly depleting working gas in storage. Caruso said that the high volatility of prices is likely to continue for the next 12-18 months as the industry mobilizes to increase productive capacity. Over the longer term, EIA expects natural gas consumption to increase at an average annual rate of 1.8 percent through 2025, reaching 35 trillion cubic feet (Tcf). To meet this level of demand, the industry will have to both increase imports and tap new sources of supply. According to Caruso, these would likely include drilling deep and ultra-deep offshore projects in the Gulf of Mexico; development of unconventional production sources such as tight sands, coalbed methane, and shale deposits; and construction of major new pipelines to bring gas from both Alaska and Canada to the Lower 48 States.

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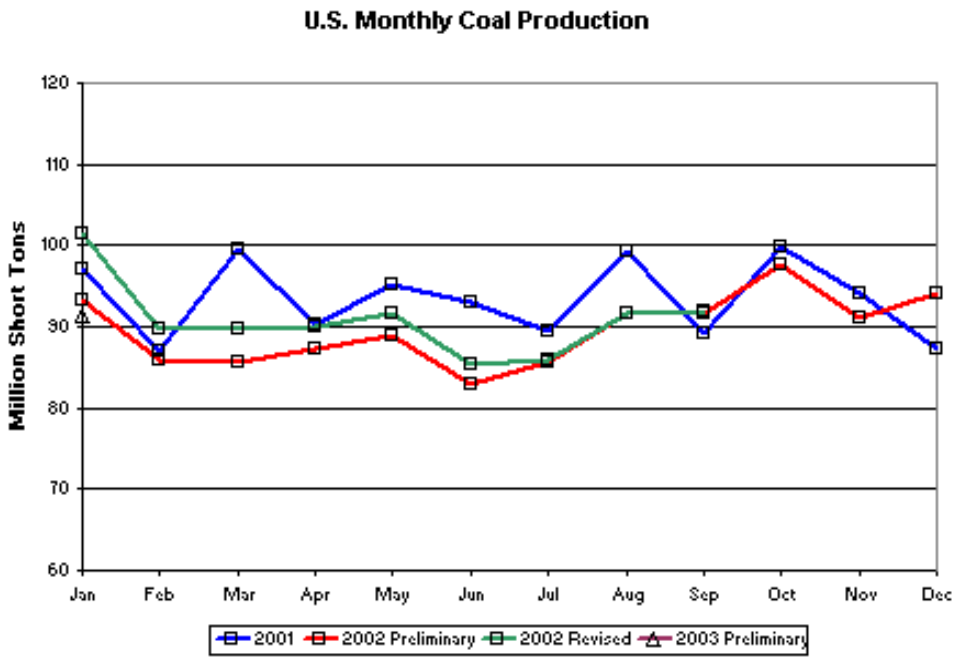
Latest U.S. Coal Information

Coal Production (Updated February 27, 2003)
For the week ended February 22, estimated coal production totaled 19.6 million short tons (mmst), 3.7 mmst lower than in the comparable week in 2002. Railcar loadings of coal were 13.1% lower than year-ago levels and estimated national coal production was 16.0% lower. The estimated production for the first month of 2003 was 91.4 mmst, 10.05% lower than the 101.5 mmst in January of 2002.

For the year to date, national coal production estimates are 11.7% lower than in 2002 - 8.0% lower west of the Mississippi and 16.0% lower in the East. The longer-term trend, for the 52 weeks ended February 22, 2003, versus the 52 weeks ended February 23 2002, shows estimated western U.S. coal production in the more recent 52 weeks at 1.1% above the levels of a year earlier. Estimated eastern U.S. coal production in the more recent period, however, is trending 7.9% below the levels a year earlier. The more recent estimate incorporates coal production survey data of the Mine Safety and Health Administration through the third quarter 2002.

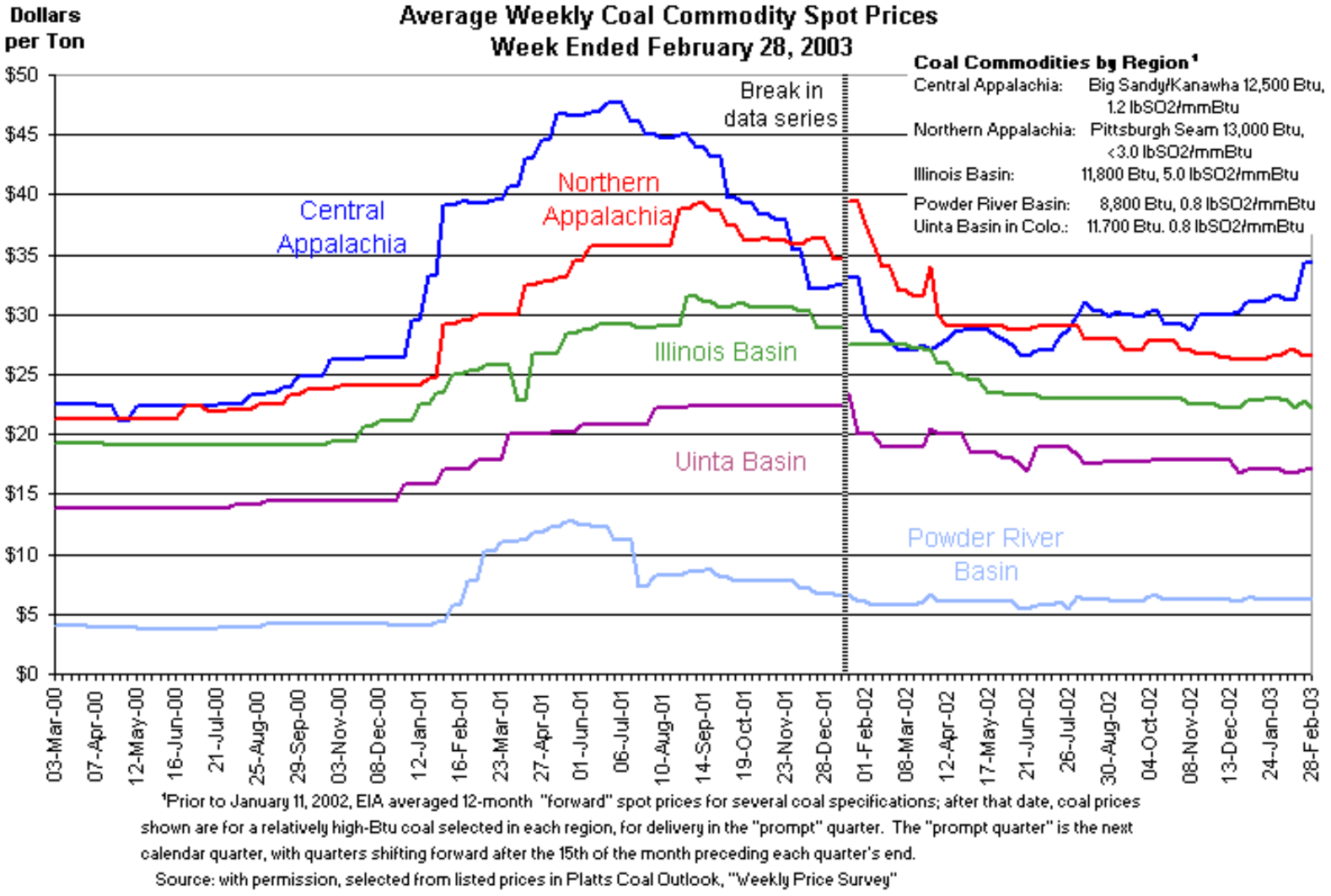


Coal Prices (Updated March 4, 2003)
Over-the-counter (OTC) coal prices were mostly unchanged last week. The $3.00 per short ton gains achieved 2 weeks ago in OTC prices for Central Appalachian coal held steady last week (see graph below). Spot coal prices for the Central Appalachia/Big Sandy-Kanawha 12,500-Btu product tracked by EIA again traded at $34.25 per short ton in the week ended February 28. The stall in the price rise coincides with a reversal on February 26 of last week's sharp increase in natural gas prices, on news of a possible warming in temperatures across the Midwest and Northeast. The volume in OTC coal was nearly double that of the previous week: 130 trades (all on February 25). OTC coal volumes were modest, however, as brokers continue to report that not much Central Appalachian coal is available. "Traders uniformly spoke of the lack of excess production and what a scramble it could be if demand suddenly increases. (Platts Coal Outlook, February 24). At best, however, the outlook is confused, as some analysts expect spot coal prices to continue upward this month and others feel that the increases will not occur until the 4th quarter of the year, during next winter's stockpile builds (Energy Argus Coal Daily, March

3, p.6).

Northern Appalachian, Powder River Basin, and Uinta Basin OTC prices were unchanged at $22.60, $6.20, and $17.05 per short ton, respectively. The Illinois Basin coal price lost the $0.50 gained the week before. Coal prices in all supply regions are below the peak prices of summer 2001. Central Appalachian prices are now only about $13.50 per short ton lower, compared with $16.50 lower a week earlier. Northern Appalachian coal prices are lower by about $12.50 per short ton, or 32% lower; Powder River Basin coal prices are lower by about $6.50, or 51%, Illinois Basin coal prices lower by about $9.50, or 30%, and Uinta Basin coal prices lower by about $5.50, or 25%.

Turning to cash trading in eastern coal, Bloomberg price data last week in the eastern supply region were at their highest level in almost a year. The reasons cited were the colder than expected weather in the eastern United States and the startling jump in natural gas prices. As a result, utilities will turn toward burning more coal, and coal prices could "rise to $35 to $40 a ton going into the summer," according to Merrill Lynch analyst, Daniel Roling. “The market is tighter now that it has been in six months and I don’t see anything changing that with production down so much,” one eastern coal seller said. Spurred by firmer prices, Peabody will reopen its Big Mountain coal mine, which it closed last October in West Virginia (Energy Argus Coal Daily, March 3, p.7), but no other reopenings have been announced. Reacting to heightened demand and rising natural gas prices, eastern electricity generators re-fired some of their older, less efficient coal plants (http://quote.bloomberg.com/newsarchive/, "Coal in Eastern U.S. Rallies as Utilities Burn More, 2003-02-24).



¹Prior to January 11, 2002, EIA averaged 12-month "forward" spot prices for several coal specifications; after that date, coal prices shown are for a relatively high-Btu coal selected in each region, for delivery in the "prompt" quarter. The "prompt quarter" is the next calendar quarter, with quarters shifting forward after the 15th of the month preceding each quarter's end.

Source: with permission, selected from listed prices in Platts Coal Outlook, "Weekly Price Survey"

Coal futures trading volumes on the NYMEX added 130 trades last week, all on February 25. The 294 near-month futures

contracts settled in the prior 2 weeks exceeded cumulative NYMEX trading for the previous 9 weeks. Settled prices for near-month (March) deliveries rose from $30.00 on February 14 to $32.00 by February 26 and to $32.60 on February 28, at which level they closed on March 3. There have been no trades settled, however, between February 26 and March 3.

Coal Markets (Updated March 4, 2003) Coal supplies are famously short in Central Appalachia but available in Northern Appalachia. Illinois Basin and PRB coal supplies are adequate for anticipated demand. Uinta Basin coal is adequate for the moderate demand it serves, mostly in western States, but mines in the region have had to go off line in recent years at inopportune times, due to bad geology or hazards. At the same time, coal demand has been constrained and has not rebounded to any large extent. A number of factors are present that could affect markets now and into the 2nd quarter of 2003, with no consensus on which factor will be important. They include:

- Central Appalachian mines, some nearing depletion, others moving into thinner and deeper underground reserves
- Central Appalachian surface mine permitting had been on hold since last May due to litigation regarding valley fills
- European market coal prices at historical lows, as well as ocean collier freight rates, which may produce more competition from coal imports for coastal U.S. coal contracts
- The mergers of Fording Coal and Sherritt International in Canada consolidates metallurgical coal assets and steam coal assets under the two respective divisions; reorganization is structured to capture more of the international met coal market and more of the North American steam coal market
- Supply and financing uncertainties as several coal producers and energy companies in Northern Appalachia are in bankruptcy protection and are liquidating assets and reorganizing corporate structures
- West Virginia mine production affected by controversy, with new legislation currently being debated, over citizen safety and coal truck weight restrictions on public roads
- Several months of low water in Mississippi River affecting barge movements, may continue into spring and summer
- Drought and low snow pack conditions in northwestern United States expected to limit hydroelectric generation this year and increase demand on western coal capacity
- Historically high number of coal rail transportation rate appeals by shippers are under review by the Surface Transportation Board; concurrently, carriers are under pressure to raise railroad profitability

The next few months should prove interesting.

Environmental Update (Updated February 11, 2003)
On January 30, Environmental Protection Agency (EPA) Administrator Christine Todd Whitman announced a report documenting reductions in some acid rain indicators in sensitive ecosystems of the United States (Response of Surface Water Chemistry to the Clean Air Act Amendments of 1990). The data confirm a large decrease in wet sulfate deposition across broad areas of the Northeast and Upper Midwest. The amount of wet sulfate – an acidic anion – deposited to lakes and streams declined by approximately 40 percent in the 1990s. These reduced levels can be linked to declines in emissions of sulfur oxides since implementation of the 1990 Clean Air Act Amendments. Because of differences in geology and soils, however, the rates of decline in sulfate concentrations in precipitation were generally steeper than in surface waters.
This was not unexpected and suggests that in most aquatic systems, sulfate recovery exhibits a somewhat lagged response. Further, the decline in surface waters that were acidic was more modest than the decline in wet sulfate. Just as anthropogenic acidification of surface waters did not take place all at once, recovery to natural levels will require some time. Although the study shows a ¼ to 1/3 decline in formerly acidic surface waters, the robustness of the change (the “acid neutralizing capacity”) was marginal. The study authors believe their results point toward recovery, forecasting an improvement in biologically relevant surface water chemistry. Other indicators that showed improvement include regional increases in dissolved organic carbon and decreased concentrations of toxic aluminum in some sensitive areas. Nitrogen levels and base cation levels have not yet shown significant improvements. Even if improving, reactions involving these elements may be tied up in soil and native rock chemistry for years before results are seen in surface waters (http://www.epa.gov/ord/htm/CAAA-ExecutiveSummary-1-29-03.pdf).

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Latest U.S. Electricity Information

(March 4, 2003)

Selected Wholesale Electricity Prices: In the Western United States, spot electricity prices tracked natural gas prices over the past seven trading days. On February 28, electricity prices increased throughout the region in reaction to higher natural gas prices and a reduction in hydroelectric supplies. However, electricity prices decreased on March 3 because of a decline in natural gas prices. At Mid-Columbia, a benchmark for the Northwest, prices increased to $74.87 per megawatthour on February 28 from $59.82 on February 27, and then fell slightly to $71.74 on March 3. At California's NP-15 and SP-15, prices increased to $83.61 and $83.72 per megawatthour on February 28 from $63.98 and $64.21 on February 27, but dropped to $78.78 and $76.97 on March 3, respectively.

In the Midwest, prices were quite volatile for the last two trading days. Prices increased significantly on February 28 as the colder weather put upward pressure on natural gas usage. Despite the previous day's increase, electricity prices decreased on March 3 as warmer temperatures reduced heating demand. At the Cinergy Trading Center, prices jumped to $94.45 per megawatthour on February 28 from $67.13 on February 27 and then decreased to a weekly low of $55.27 on March 3. Similarly in the Southeast, electricity prices increased on February 28 because of rising natural gas prices and an increase in customer demand brought on by cooler temperatures. Conversely, milder weather decreased customer demand and likewise prices on March 3. Prices within the SERC trading area rose to $82.82 per megawatthour on February 28 from $76.28 on February 27 and then slumped to $65.08 on March 3.

In the Northeast, electricity prices were generally higher on February 28, but lower on March 3 with the exception of New England. At Nepool, prices continued to climb until they reached $118.75 per megawatthour on March 3 from $90 on February 27, as natural gas prices and heating demand rose. In addition, Dominion Resources' 870-megawatt Millstone Unit 2 reduced production for planned maintenance. Nepool saw its highest price in more than a year on February 26 with $170 per megawatthour. For the Mid-Atlantic States, temperatures and customer demand dictated the price of electricity. At PJM West, prices increased to $90.06 per megawatthour on February 28 from $74.35 on February 27 because colder-than-normal temperatures increased customer demand. On March 3, however, PJM West's prices decreased to $77.63 per megawatthour as more generating supplies and moderate temperatures reduced customer demand. In New York City, high heating demand kept prices at $137.50 per megawatthour from February 26 until February 28. Even though Canada continued to buy power from the State, prices fell to $130 per megawatthour on March 3 as customer demand decreased.

Over the past seven days, average prices at all trading centers ranged between $60.17 and $125.61 per megawatthour with an overall weekly average of $73.04 per megawatthour.

U.S. Regional Electricity Prices at Major Trading Centers (Dollars per megawatthour)

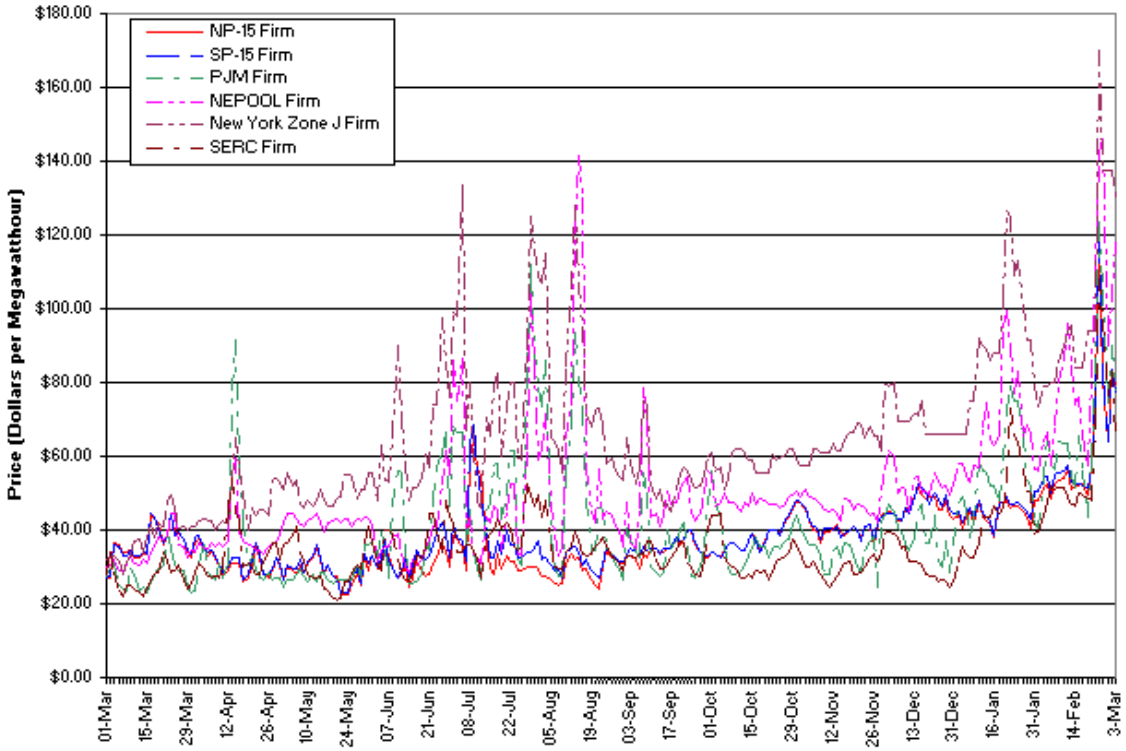
Trading Centers	Date							Price Range		
	2/21/03	2/24/03	2/25/03	2/26/03*	2/27/03	2/28/03	3/3/03	Max	Min	Average
COB	53.94	78.67	120.50	78.00	62.00	78.62	74.67	120.50	53.94	62.00
Palo Verde	54.04	73.56	119.76	77.93	59.60	78.61	72.80	119.76	54.04	59.60
Mid-Columbia	51.97	74.63	115.08	75.53	59.82	74.87	71.74	115.08	51.97	59.82
Mead/Marketplace	55.06	79.88	121.38	80.72	61.89	81.99	75.95	121.38	55.06	61.89
4 Corners	54.25	77.40	121.70	77.50	59.66	78.41	72.50	121.70	54.25	59.66
NP 15	56.79	78.72	116.17	81.13	63.98	83.61	78.78	116.17	56.79	63.98
SP 15	57.09	77.63	120.78	82.36	64.21	83.72	76.97	120.78	57.09	64.21
PJM West	59.33	82.69	123.50	105.02	74.35	90.06	77.63	123.50	59.33	74.35
NEPOOL	82.00	110.50	142.14	145.83	90.00	102.50	118.75	145.83	82.00	90.00
New York Zone J	94.00	94.00	170.00	137.50	137.50	137.50	130.00	170.00	94.00	137.50
Cinergy	55.82	81.15	128.23	n.a.	67.13	94.45	55.27	128.23	55.27	67.13
SERC	47.79	69.09	108.10	96.94	76.28	82.82	65.08	108.10	47.79	76.28
Average Price	60.17	81.49	125.61	94.41	73.04	88.93	80.85	125.61	60.17	73.04

Sources: COB, Palo Verde, Mid-Columbia, Mead/Market Place, Four Corners, NP-15, SP-15, PJM-West, NEPOOL, New York Zone J, Cinergy, and SERC trading centers. Used with permission from Bloomberg L.P. (www.bloomberg.com).

COB:	Average price of electricity traded at the California-Oregon and Nevada-Oregon Borders.
Palo Verde:	Average price of electricity traded at Palo Verde and the West Wing, Arizona.
Mid-Columbia:	Average price of electricity traded at Mid-Columbia.
Mead/Market	Average price of electricity traded at Mead Market Place, McCullough and Eldorado.
Four Corners:	Average price of electricity traded at Four Corners, Shiprock, and San Juan, New Mexico.
NP-15:	Average price of electricity traded at NP-15.
SP-15:	Average price of electricity traded at SP-15.
PJM-West:	Average price of electricity traded at PJM Western hub.
NEPOOL	Average price of electricity traded at Nepool.
New York Zone J:	Average price of electricity traded at the New York Zone J - New York City.
Cinergy:	Average price of electricity traded into the Cinergy control area.
SERC:	Average price of electricity traded into the Southeastern Electric Reliability Council.

***Cinergy's price was not available on the February 26, 2003 edition of the Bloomberg Power Lines**

Average Wholesale Electricity Prices in the U.S.



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